



**MINUTES
OF THE
FINANCE COMMITTEE**

February 6, 2017

Members Present:

Heidi Moore-Guynup
Chuck Petrusha (via ZOOM)
Duncan Robins (Chair-Via ZOOM)
Jason Ramos
Craig Wruck

Absent:

Guests:

Mike Burghart
Brian Frasher
Mark Hemphill-Haley
Scott Hunt (via ZOOM)
Peter Lehman (Schatz Energy Research Center)
Sylvia Shively-HSU Interim Director of Accounting
Lola Alto
Jamie Rich

A meeting of the Humboldt State University Advancement Foundation Finance Committee was held on Monday, February 6, 2017 at 10:30 AM in Nelson Hall West 213 on the University campus.

1. Call to order

The meeting was called to order by Committee Chair Jason Ramos at 10:31 AM.

2. Visitor comments

Dr. Peter Lehman of the Schatz Energy Research Center, reported on his fundraising efforts, meeting with alumni and others who are involved in the

energy sector to secure cash and in-kind donations for the SERC. Construction on the new addition to SERC is planned to begin in March 2017 with completion in the fall of 2017.

3. Approval of Minutes from the September 26, 2016 meeting

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Minutes of the September 26, 2016 meeting are approved.

4. Review of December 30, 2016 Financial Statements

Brian Frasher of Humboldt State University Financial Services provided a review of the financial statements as of September 30, 2016. Executive Director Craig Wruck noted that the endowment portfolio has recovered from the Brexit related market downturn.

5. Real Estate

Wruck reviewed the Six-month Report for the period ending Dec. 31, 2016. The University is negotiating with CSURMA regarding the loan related to the Samoa property. When those issues are resolved transfer of the properties to the Humboldt State University Real Estate Holdings can proceed along with new leases to the University.

Humboldt State University Interim Director of Accounting Sylvia Shively reminded the Committee that the audit standards will require updated market valuations for both properties. Wruck indicated that the objective is to have the transfers to the supporting organization completed before the end of the fiscal year.

6. Charitable Gift Annuity Agreement with California State University Foundation (CSUF)

Wruck reviewed the arrangement among the California State University Foundation (CSUF), the University, and the Foundation regarding the issuance of charitable gift annuity contracts. Charitable gift annuities provide a fixed payment to one or two annuitants in exchange for a charitable contribution. These contracts are regulated by State law. For many years the University and the Foundation have collaborated with the CSUF which maintains a State licensed gift annuity

program on behalf of the CSU campuses. This arrangement allows Humboldt State to offer charitable gift annuities without the burden and expense of maintaining a separate gift annuity registration. He revised the Memorandum of Understanding among CSUF, the University, and the Foundation that governs the arrangement.

7. Contribution Administration Fee

Wruck reviewed the history of the Contribution Administration Fee. In the past the Foundation had charged a 4% fee which was accessed when contributed funds were expended. The “back end” nature of this fee did not lend itself to donor transparency and made it difficult to accurately project fee revenue. In addition, the end users of philanthropic funds found it difficult remember the impact of the fee on their funds available for expenditure.

In 2015 the Foundation revised the Contribution Administration Fee to a “front end” fee charged at the time the contribution is received and increased the amount to 5%.

There was discussion about reverting to a back-end fee because it might be more palatable to donors. The consensus was that the front-end approach has enhanced donor transparency and that, while donors and others have complained about the fee, many donors have increased their contributions in order to cover the fee while ensuring a certain amount is available to the intended program.

It was noted that unrestricted contributions continue to decrease for charitable organizations across the nation and that this scarcity of unrestricted funds creates pressure to identify others sources of revenue to cover basic operating expenses.

8. Other Business

Wruck reminded the Committee of the RVK, Inc Workshop scheduled for February 9, 2017 at 10:30 AM.

The next Finance Committee meeting will be in May 2017. Date to be determined pending availability of financial reports.

9. Adjournment

The meeting was adjourned at 11:40 AM.